

Board Meeting Minutes

July 17, 2017

6:30 PM

Call to Order: 6:31 pm

Attendance: All board members, GM and FO. No one else

Ethics Reminder:

Consideration of June Board minutes. Tabled until August Meeting, minutes do not include the Gun Policy that was adopted.

OLD BUSINESS: Nothing discussed

NEW BUISNESS

- Office desktop died. It was about 8 years old. Graphics card on hard drive crashed. The advice was to purchase a new one. Gary researched laptops and purchased a dell for the Office computer for GM.

Gary's Financial Statement and Discussion:

Balance Sheet:

- Checking/Saving is down \$33,332.96, but see below
- Accounts Payable are down \$65,341.85, because all of our June liquor bills were paid before the end of the month.
- VSB Credit Card balance increased by \$1,657.98 due largely because a \$900 charge made for our retail computer software license.
- Current Liabilities: Our accrual of \$22,430 for the 3.50% Bottle tax accounts for the increase here of \$20,762.81.
- Total Liabilities have dropped \$56,767.14 which is quite an accomplishment for one year.

MTD Profit & Loss:

- Sales were down from \$109,532.15 last year to \$108,029.30. Having just come off May where our Sales were up \$12,776, this isn't really disappointing.

- Gross Profit dropped \$7,230.36 which is entirely attributable to the year end 3.50% Bottle Tax adjustment of \$7,194.
- Net Income dropped from \$4,059.45 last year to \$3,144.96 this year. Considering the year end Bottle Tax expense adjustment of \$7,194, this is a surprisingly good result.

YTD Profit & Loss:

- **Revenue:**
 - Sales increased by \$14,411.67 to \$829,039.54 which is a small 1.80% increase. This is pretty much what we had expected this year.
 - Gross Profit dropped \$20,507.12 which is entirely attributable to the 3.50% Bottle Tax of \$22,430.00. Last year we neither accrued nor paid any Bottle Tax.
- **Expenses:**
 - Salaries & Wages: Because the General Manager was paid hourly rather than salaried, she was paid for her overtime which increased her pay by \$1,502 and resulted in an additional 30 hours of work. Otherwise, increases were due to pay increases, the addition of some clerical and delivery staff to relieve the GM and some additional hours (overall about 110 hrs) worked.
 - General Expenses increased \$5,827.14 which, as noted above is largely due to increased Salary & Wage Expense.
 - Administrative Expenses increased by \$8,022.52. The Finance Officer's wages increased by \$2,182 resulting from 63 additional hours worked; Insurance Expense increased \$1,287.56; Meals, Lodging and Travel all increased by a combined \$1,132 largely related to Continuing Education events; Interest Expense, Penalty and Other Expenses increased by a combined \$5,001.30 all related to our settlement of the 2009 NC Sales Tax issue.
- **Net Profit** dropped \$33,723.59, the result of decreased Gross Profit (\$20,507.12 from increased Bottle Tax), increased General Expenses (\$5,827.14) and increased Administrative Expense (\$8,022.52).

I would expect that there will some adjustments to these results by our auditors.

While the future is always hard to predict, I would expect our Net Profit to remain relatively stable during the next fiscal year. As always, much of this depends both on the overall economy and the weather during the high season.

GM Comments: Sales were down approximately \$2300 in Ocracoke due to lower mix beverage purchases. Last year was our best on record so this isn't such bad news! SQ store was actually up

about \$900. I'm learning the new computer, it takes time. Gary has been a big help in figuring everything out. We've hired Lynette's replacement in Ocracoke. Kim is in training, so I'll soon be able to cut my hours back.

General discussion : Internal controls, staff hiring, paperwork to fill out for May & Place audit.

Future Meeting: August 14, 2017

Meeting adjourned 6:49